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FISCAL IMPACT STATEMENT

LS 7015

BILL NUMBER: HB 1251

NOTE PREPARED: Jan 2, 2011

BILL AMENDED:

SUBJECT: Young Entrepreneur Program.

FIRST AUTHOR: Rep. Ellspermann

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill requires the Indiana Economic Development Corporation (IEDC) to establish a Young Entrepreneurs Program to promote the business proposals of students in entrepreneurial programs at state educational institutions. It provides that the program must include at least one auction per year in which communities bid for the opportunity to locate a young entrepreneur's start-up business in their community. It requires the Office of Community and Rural Affairs to assist rural communities in preparing for an auction. The bill also requires annual reporting on the impact of the program.

Effective Date: July 1, 2011.

Explanation of State Expenditures: *IEDC:* This bill requires the IEDC to establish the Young Entrepreneurs Program. The IEDC will have to annually review applications for participation in an auction, and select the applicants that meet the requirements for participation. The IEDC will be required to assist the entrepreneurs selected to participate in the program with the development of their business proposals, and assist the entrepreneurs in selecting communities or economic development organizations from the identified bids. In addition, the IEDC will have to provide an annual report to the Legislative Council on the impact of the Young Entrepreneurs Program.

Establishing the Young Entrepreneurs Program will likely increase expenses for the IEDC. However, the bill provides that the IEDC may use any funds available to them in order to implement this program. The bill's requirements represent an additional workload on the agency outside of the agency's routine administrative functions, and existing staffing and resource levels, if currently being used to capacity, may be insufficient for full implementation. The additional funds and resources required could be supplied through existing staff and resources currently being used in another program or with new appropriations. Ultimately, the source

of funds and resources required to satisfy the requirements of this bill will depend on legislative and administrative actions.

OCRA: This bill requires OCRA to assist rural communities and economic development organizations that serve rural communities in preparing for auctions, (reviewing business proposals and preparing bids). OCRA should be able to fulfill this requirement with no additional appropriations, assuming near customary agency staffing and resource levels.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: IEDC; OCRA.

Local Agencies Affected:

Information Sources:

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